

FOR IMMEDIATE RELEASE

## Hitachi Holds a Conference Hosted by New Chairman, President and CEO

Tokyo, April 20, 2009 --- Hitachi, Ltd. (TSE:6501 / NYSE:HIT) today held a conference with media and investors hosted by Hitachi's new Representative Executive Officer, Chairman, President and Chief Executive Officer of Hitachi, Ltd. who was appointed in his new role effective April 1<sup>st</sup>.

The following outlines an extract of the speech delivered by Mr. Takashi Kawamura.

### **(1) Heading Toward 100<sup>th</sup> Anniversary**

Next year, Hitachi, Ltd. will mark the 100<sup>th</sup> anniversary of its founding. During the nearly one century that we have been in business, management has had to contend with numerous disasters including plant fires at the establishment, the Great Kanto Earthquake, chaos in the post-war years and a host of other crises. However, we surmounted all of these crises with our pioneering spirit, and both our employees and the company have grown immensely. By mobilizing the fundamental strengths the Hitachi Group has acquired over the past 100 years, we are looking forward with a positive mindset. We are determined to turn challenges resulting from the current economic crisis into opportunities, which will allow us to grow even more.

### **(2) Management Approach**

As Hitachi's Representative Executive Officer, Chairman, President and Chief Executive Officer, I am committed to meet the expectations of stakeholders' by reinventing Hitachi. I will do this by drawing on my experiences and fortitude to make quick decisions and take swift actions in bringing about a revival at Hitachi. To this end, I plan to expedite efforts to rebuild our business portfolio, which will ensure that Hitachi's new management team works together cohesively and optimally to redeploy the Group's resources.

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### **(3) Greater Focus on Social Innovation Business—Returning to Our Roots**

First and foremost, we will focus more than ever on the Social Innovation Business. We will capitalize on the Hitachi Group's collective strengths and clearly demonstrate our identity and focus as a Group. The Social Innovation Business and social infrastructure is supported by the highly reliable and highly efficient IT technology, which is clearly an unrivaled strength and core competency for Hitachi.

The Social Innovation Business includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems. In order to build a more stable earnings base, I plan to place an even greater emphasis on the Social Innovation Business in three key areas: fusing information and telecommunication systems and power and industrial systems; transforming into a truly global company; and expanding environmental businesses.

#### **a) Fusing information and telecommunication systems and power and industrial systems**

I intend to utilize the project management and system integration expertise we have built in our information and telecommunication systems business for large-scale social infrastructure projects, including power generation and railways. Additionally, we will leverage our global industrial system operations as a springboard for developing our information system business worldwide. By fusing power generation and control system technologies, we will strengthen our response to smart grid systems. The combination of information systems and power and industrial systems will enable us to create added value that other companies can't emulate.

#### **b) Transforming into a truly global company**

Hitachi's ambition extends beyond simply growing overseas revenues. We are committed to transforming into a truly global company. Over the past few years, we have increased our power plant and transportation system operations. We expect to expand overseas revenues in these areas going forward. These large-scale overseas projects represent enormous potential, despite the fact that the business risks are not insignificant. Therefore, we will actively plan to team up with local partners, use foreign staff familiar with regional conditions and develop more locally-based operations.

Within our information and telecommunications business, we plan to expand our global solutions business by strengthening our consulting business overseas and utilizing our consulting and powerful hardware. On another business front, Hitachi has already begun extending the reach of our eco-friendly green data centers outside Japan with the launch of operations in Europe. This is a business where we expect to capitalize on Hitachi's wide-ranging technological and system integration capabilities. We aim to accelerate expansion of the Social Innovation Business globally beyond Japan and Europe.

**c) Expanding environmental businesses**

Hitachi will increase the development of businesses that provide environmental and energy-saving solutions. There are two main pillars to this drive. One is what we call "green mobility," railway systems, automotive systems, logistics solutions and other systems and solutions that lower environmental impact. The second pillar is nuclear power generation, highly efficient coal-fired thermal power generation, "smart grids" and renewable energy and eco-conscious data centers. These systems are underpinned by high-performance motors and inverters, highly reliable industrial- and automotive-use lithium-ion rechargeable batteries, and other key devices. By strengthening these key devices, we aim to differentiate and expand our environment-related businesses. This will also help us to achieve the goal set forth in our "Environmental Vision 2025" of reducing CO<sub>2</sub> emissions from Hitachi Group products by 100 million tons.

Therefore, we are planning to concentrate more on these social innovation businesses and the development of these key devices. To allow us to do that, we will channel the Hitachi Group's R&D, personnel and other business resources to the social innovation field. Hitachi is fortunate to have some of the best R&D and system integration capabilities in the manufacturing industry. Indeed, our greatest strength is that we can leverage these collective resources. By returning to what we know and do best, we will propel Hitachi to a new era of growth.

**(4) Five Supervisory Offices to Drive Growth in Key Fields**

In order to accelerate the pace of Group structural reforms and optimization, five supervisory offices, each spearheaded by an executive vice president will take the lead in business operations. The roles of each of these are as follows:

**a) Supervisory Office for Management Reforms**

(Office Head: Takashi Kawamura, Chairman, President and Chief Executive Officer; Deputy Office Head: Takashi Miyoshi, Executive Vice President)

Accelerate business structure reforms and group structure reform and execute management reforms.

**b) Supervisory Office for Sales and Promotion**

(Office Head: Kazuhiro Mori, Executive Vice President)

Expand orders and improve operating cash flows based on a stronger market-driven approach.

**c) Supervisory Office for Overseas Plant Construction Business**

(Office Head: Hiroaki Nakanishi, Executive Vice President)

To create a stable earnings structure for significant projects by rigorously managing large overseas projects such as nuclear power plants in the U.S., power systems in the Near and Middle East and large-scale railway systems, as well as by cooperating with local partners and bolstering engineering procurement, among others.

**d) Supervisory Office for Business Infrastructure**

(Office Head: Takashi Hatchoji, Executive Vice President)

Build even greater trust with customers and all other stakeholders by strengthening the management base and risk responsiveness through internal reforms in areas such as the environment, manufacturing, purchasing, IT and Japanese and global human resources.

**e) Supervisory Office for Business Coordination**

(Office Head: Naoya Takahashi, Executive Vice President)

Strengthen the Social Innovation Business by fusing information and telecommunication systems and power systems and industrial systems businesses, as well as by upgrading the role of research divisions that support them. In specific terms, we will look at developing the eco-friendly green data center business; researching and developing the knowledge base centered on railway information systems and creating viable businesses; and conducting R&D to create smart grid-related businesses.

**(5) Enforce In-House Company System and Create Group Synergies**

To further clarify business segment responsibility and authority, business segments will be treated in the same way as Group companies and held accountable individually for their earnings.

Additionally, we will continue to optimize the allocation of business resources among companies through rigorous management by the Head Office. Furthermore, by seeking to maximize Group synergies, we plan to optimize relationships between Hitachi, Ltd. and Group companies with a view to strengthen the Social Innovation Business.

**(6) Activities to Improve Quality and Reliability**

Hitachi places the utmost importance on the high quality and high reliability of its products and services. By focusing on the Social Innovation Business moving forward, Hitachi believes it has an obligation to deliver the best quality in order to provide lifelines that support society's development and people's lives. Hitachi is guided by the spirit of its "Ochibo Hiroi" spirit, learning from past mistakes to prevent the future ones. Hitachi will strive relentlessly to ensure that its products and services are fault-free and cannot be blamed for accidents. These efforts will extend worldwide.

**(7) Strengthening Finances**

Hitachi will continue with efforts to create a business base that can generate earnings even when demand is lackluster by improving business segment earnings and cutting fixed costs on a Group-wide basis. Furthermore, Hitachi will continue to monitor cash flows and asset efficiency as important management indicators as it works to build a robust financial base and steadily improve net income and its balance sheet. The Company's overriding goal is to once again be known for its financial strength..

**(8) Develop Human Resources and Revitalize the Organization**

Hitachi will actively develop future leaders and utilize new people from different backgrounds. In particular, Hitachi will widely employ people from around the world with the ability to help globalize its businesses. At the same time, the company plans to exchange personnel and cooperate with business partners in Japan in the human resource field to fully utilize the Hitachi Group's talented workforce. The organization will be revitalized by improving workplace communication and how people work.

Based on the aforementioned actions, the Company will accelerate structural reforms across the Hitachi Group and boldly rise to the challenge of exerting its true strengths as a Social Innovation company.

**About Hitachi, Ltd.**

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 390,000 employees worldwide. Fiscal 2007 (ended March 31, 2008) consolidated revenues totaled 11,226 billion yen (\$112.3 billion). The company offers a wide range of systems, products and services in market sectors including information systems, electronic devices, power and industrial systems, consumer products, materials, logistics and financial services. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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